

Obama wants Pell Grant boost

President also backs guarantee

By Christi Parsons
Tribune Washington Bureau

WASHINGTON — President Barack Obama's budget blueprint would expand the Pell Grant program to nearly \$35 billion in aid next year, an increase in the college funding program for low- and moderate-income families of more than 92 percent since he took office.

The increase would make the program available to an additional 1 million students and increase their maximum annual awards to \$5,710 from \$5,350, an administration official said late Friday.

When it is released Monday, the Obama budget also will propose making the Pell Grant an "entitlement" program like Medicare and So-

cial Security. As an entitlement, anyone eligible would be guaranteed the full grant, and Congress would be obliged to fund the program for all who qualify. At present, the program is subject to haggling in the budget-making process, and so the actual grants end up being less than what lawmakers authorize.

This will be the president's second attempt at persuading Congress to make the Pell Grant an entitlement.

Obama signaled in his State of the Union address earlier this week that college affordability would be a key part of his 2011 budget, laying it out in a series of proposals that includes giving families a \$10,000 tax credit for four years of college and requiring graduates to pay only 10 percent of their income on federal student loans.

The budget will also pro-

pose forgiving students their debt after 20 years for most graduates, and after 10 years for those who choose careers in public service.

"In the United States of America, no one should go broke because they chose to go to college," Obama said in one of the biggest bipartisan applause lines of the address.

The effect of the Pell Grant increase would be felt more immediately than the loan-forgiveness plans. Named after longtime Democratic Sen. Claiborne Pell, of Rhode Island, the program began in 1973 and over time has become the cornerstone of aid to undergraduate students from needy families.

But in recent decades, the program's year-to-year growth has lagged far behind the growth in college costs.

"Pell grants function much like an entitlement,"

an administration official said Friday, "yet they are funded through an annual appropriations process that can fall behind actual demand for the grants."

Making the grant an entitlement would take some battling for the president on Capitol Hill. Obama proposed the idea last year, but Congress never took it up.

The president hopes his second attempt will "address the recurring shortfalls in the program once and for all," the official said.

The president's budget would make \$34.8 billion in Pell Grant aid available, a 92 percent increase over the \$16.6 billion appropriation of the 2008 fiscal year, in place when he took office.

The plan would benefit more than 8.7 million students, compared with 7.7 million in the current school year.